

TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE



FISCAL NOTE

HB 1722 - SB 1753

February 23, 2020

SUMMARY OF BILL: Authorizes beer manufacturers to self-distribute beer within a 100 mile radius of the manufacturing facility. Requires the manufacturer to acquire a wholesaler license to participate in the self-distribution from the Department of Revenue (DOR). Prohibits counties and cities from imposing an additional permit fee but authorizes them to impose a separate privilege tax.

ESTIMATED FISCAL IMPACT:

Increase State Revenue –

\$100/FY20-21 and Subsequent Years/Department of Revenue
\$100/FY20-21 and Subsequent Years/Tennessee Highway Patrol

Increase Local Revenue – \$900/FY20-21 and Subsequent Years

Assumptions:

- It is assumed that three manufacturers in each of three grand divisions of the state will obtain a self-distribution permit pursuant to this legislation, upon payment of the wholesaler registration fee and the local privilege tax.
- Pursuant to Tenn. Code Ann. § 57-5-102(b) and (d), the wholesaler registration fee is \$20; fifty percent of the proceeds are retained by DOR and fifty percent are allocated to the Tennessee Highway Patrol (THP).
- Pursuant to Tenn. Code Ann. § 57-5-104(b), the local privilege tax is \$100.
- The recurring increase in revenue, beginning in FY20-21, is estimated to be:
 - \$90 for DOR (3 manufacturers x 3 grand divisions x \$100 fee x 50% allocation);
 - \$90 for THP (3 manufacturers x 3 grand divisions x \$100 fee x 50% allocation);
 - and
 - \$900 for the local government (3 manufacturers x 3 grand divisions x \$100 tax).

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in black ink that reads "Krista Lee Carsner". The script is cursive and fluid, with the first letters of each name being capitalized and prominent.

Krista Lee Carsner, Executive Director

/abw